

STATEMENT OF OBJECTIVES (SOO)

1.0 Background -

1.1 The Office of Professional Responsibility (OPR) of the Internal Revenue Service (IRS) is implementing a new business process to better serve taxpayers and practitioners. The OPR mission is the oversight of practitioners who represent taxpayers before the IRS. These include Certified Public Accountants (CPAs), attorneys, and enrolled agents (EAs) among others. This oversight function ensures and maintains professional standards for competence, conduct, and integrity among the broad range of practitioners who represent taxpayers before the IRS. This program is governed by Federal laws and regulations governing practice before the IRS, including 5 U.S.C. § 500, 31 U.S.C § 330, 31 C.F.R. Part 10 (also known as Treasury Department Circular 230). Specifically, sections 10.4 through 10.6 of Circular 230 concern eligibility, the application process and other aspects of the enrolled agent program.

1.2 Practitioners must have the necessary qualifications to provide valuable services to taxpayers in presenting their cases to the IRS. Attorneys and CPAs are deemed to have such qualifications by meeting the requirements of their respective state bar and licensing board associations. EAs must demonstrate their competence directly to the IRS. Individuals qualify to become an enrolled agent through past service and technical experience as an employee of the IRS, or by successfully passing the IRS Special Enrollment Examination (SEE).

2.0 Objective - The objective of the IRS is to out-source the SEE Program to achieve the most efficient program, including efficient and effective processes, methods, procedures and administration.

3.0 Scope – As detailed herein, the contractor shall furnish the resources, management, supervision, facilities and services necessary to assume development and administration of SEE Program. The Government will provide the job analysis to be used as the basis for the development of the exam.

4.0 Expectations – The proposed program shall:

- a. Replace the current SEE Program.
- b. Improve the effectiveness, efficiency and convenience of the SEE Program.
- c. Develop an SEE that effectively measures the competence of applicants desiring to become EAs.
- d. Administer the exam.
- e. Update the SEE in response to changes in tax law.

5.0 Current SEE Program – An overview of the current SEE program and processes is at Attachment A.

6.0 Minimum Requirements – The SEE Program proposed shall include as a minimum:

- a. Exam development in accordance with current Standards for Educational and Psychological Testing.
- b. Exam validation, including pilot tests of the exam.
- c. Public notice and other outreach in order to sufficiently inform the public regarding the exam and its requirements, including how to take the exam, as well as the contents and format of the exam.
- d. Conduct the testing application process.
- e. Secure exam administration facilities within the United States that will include appropriate supervisors and proctors for the examination. The facilities furnished shall provide reasonable accommodations for examination applicants with disabilities in compliance with applicable law, including the Rehabilitation Act of 1973 and the Americans with Disabilities Act.
- f. Exam administration in a practical and accessible manner, on a national basis at a minimum of twice a year.
- g. Exam scoring, applicant notification, with all information (including such information from the candidate's exam application) electronically transmitted to the IRS.
- h. Update exam as needed to reflect changes in tax law, exam saturation and scoring.
- j. A transition plan for applicants who have passed part(s) of the examination under the current format, which would allow them to carry over their passing scores, so that they would not have to take the entire exam under the new format.
- k. Safeguards to prevent contractor personnel unfair use of information obtained through the contract in order to pass the examination.
- l. Post-implementation evaluation and documentation of the results in a final report. Documentation should include, at a minimum, a summary of the nationwide implementation and of the examination redesign initiative as a whole. An initial evaluation shall occur six months after the first administered exam, and annually thereafter.
- m. The contractor shall provide lists of examination candidates who have authorized the release of their name and address on the exam application, upon request and at no charge to the public.
- n. Respond to questions and defend challenges relating to exam development and administration.

o. Provide technical assistance if there is a necessity to legally defend any aspect of test development and administration.

7.0 Other Requirements –

7.1 Confidentiality of Information -- The contractor must ensure the confidentiality of all information received, obtained or generated by the contractor in the course of operating this program. Requirements for safeguarding tax information are set forth in the IRS Acquisition Procedures (IRSAP 1052.224) and in the Federal Acquisition Regulations (FAR) 52.224-1 and 52.224-2. Requirements for safeguarding non-tax information must match the requirements applicable to federal agencies as stated in the Privacy Act of 1974 (5 U.S.C. § 552a).

7.2 Review of Forms – The IRS reserves the right to determine what information will be contained on any forms furnished to exam candidates. Any forms designed by the contractor must be approved by the IRS before use.

7.3 Review of Legal Interpretations -- At the request of the IRS, the contractor shall revise the examination when the IRS determines that a question is based on an invalid or disputable interpretation of the law.

7.4 Section 508 Compliance - This contract is subject to Section 508 of the Rehabilitation Act of 1973. The contractor must comply with the Act's requirements as detailed in Attachment C. For more information about the Act and Section 508 standards go to www.section508.gov

7.5 Survey of Public –The Paperwork Reduction Act of 1980 (Pub. L. 96-511) imposes a requirement on Federal agencies to obtain approval from the Office of Management and Budget (OMB) before collecting information from more than 10 members of the public. If the activities proposed by the contractor require such collection, preparation of an OMB Package containing the information detailed in Attachment D is required.

7.6 Kickoff Meeting – Within fifteen (15) business days of award, the contractor shall meet with IRS representatives at a mutually agreeable location in the Washington DC area or via teleconference. The kick off meeting will include a discussion and adjustments, as required, to the contractor's plan of execution submitted with its proposal. The IRS will provide the contractor with all necessary Government Furnished Information at this time. The contractor shall provide minutes of the kickoff meeting to the government five business days after conduct of the meeting.

7.7 Contractor Background Investigation - All contractor employees assigned to the contract are subject to a background investigation as detailed in Attachment B.

7.8 Performance Measurement – The proposed program shall contain metrics and/or a proposed method for measuring contractor performance.

7.9 No-Cost Basis -- The contractor assumes the responsibility for the SEE

Program on a no-cost basis to the government. The contractor will not be reimbursed by the federal government for fees, costs, or any other charge or expense. The contractor is expected to cover its cost and any profit by charging reasonable exam fees.

7.10 Government User Fee – The contractor may be required to collect fees from applicants, and if so, may be required to remit the some or all fees to the IRS.

7.11 Exam Preparation Services

The vendor shall not engage in the business of preparing individuals for the exam, such as the sales of study materials or courses.

8.0 Considerations –

a. Different types of examination format (e.g. multiple choice, sample tax return scenarios/computations) are desired. Computer based administration is desired.

b. The IRS will provide a job analysis for use by the vendor in the development of the exam blueprint.

c. The IRS will retain exclusive rights to the exam, applicant database, exam blueprint, and all other information developed by the vendor necessary to administer the exam program.

d. The contractor shall commence administration of the exam on or before October 1, 2006.

e. Subject to the restrictions specified in 7.2, the contractor may use the government application form or one of its own designs, subject to COTR approval.

f. There is no restriction on the format(s) of the exam or frequency. The IRS is seeking the best overall approach to the SOO that is economically feasible.

g. The IRS reserves the right to conduct periodic and other audits of exam administration.

9.0 References –

a. IRS information on the special enrolled examination including a detailed listing of exam topics, prior years' exams, and current exam sites: <http://www.irs.gov/taxpros/agents>

b. Treasury Department Circular 230, specifically paragraph 10.4 through 10.7 (can be found at the above website).

c. IRS Forms 23, 2587, 8554 (Forms 23 & 8554 available at the above website. Form 2587 is found at Attachment F).

10.0 Deliverables – Deliverables shall be as required by this statement of objectives and as detailed in the offeror's proposal. The government will review and approve/comment on all program critical documents within 30 business days of receipt. All documentation submitted to the IRS shall be in Microsoft Office format.

Deliverables	Due Date
Final project plan (draft project plan submitted with proposal)	<i>15 business days after Kickoff meeting</i>
Test Blueprint	<i>XXX business days after award</i>
Pilot Test/Test Validation	*
Pilot Test Results	*
Final Exam	*
Final Report	<i>6 mos. After first exam; annually thereafter</i>
Quality Assurance Surveillance Plan	*

* As proposed or otherwise agreed to by the parties.

11.0 Attachments –

Attachment A – Current Exam Program

Attachment B – Background Investigation Requirements

Attachment C – Rehabilitation Act of 1973, Section 508 IT Accessibility Requirements

Attachment D – OMB Package Requirements

Attachment E – (Reserved)

Attachment F – Form 2587

Attachment G – 2002 Data for SEE Applicants and Applicants Actually Taking Exam

Attachment H – 2003 Data for SEE Applicants and Applicants Actually Taking Exam

Attachment I – 2004 Data for SEE Applicants and Applicants Actually Taking Exam